

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

THE ROCKPORT COMPANY, LLC,)
Plaintiff,)
v.) C.A. No. 04-12714 WGY
E. S. ORIGINALS, INC.,)
Defendant.)

)

AFFIDAVIT OF MARTHA BLUE

I, Martha Blue, on oath do hereby depose and state as follows:

1. I am the Senior Director of Licensing for The Rockport Company, LLC (“Rockport”) and I make this affidavit on my own personal knowledge.
2. As the Senior Director of Licensing, I negotiate license agreements and manage the relationships with Rockport’s licensees.
3. In my duties as Senior Director of Licensing, I am familiar with the License Agreement between Rockport and E.S Originals, Inc. (“ESO”) that is the subject of this dispute (the “License Agreement”).
4. After the License Agreement was signed, I regularly talked to ESO employees about the products covered by the License Agreement (the “Licensed Products”) and how the ESO-Rockport business was doing with respect to the Licensed Products. The ESO employees consistently told me that while the business was not growing as fast as they wanted, things were progressing and ESO was committed to pursuing the License Agreement and the Rockport business.

5. On or about September 29, 2003, David Murphy, part of the management team at ESO's Rockport division, told me that he was leaving ESO, but that everything was fine with ESO and its relationship with Rockport.

6. Sometime after the call from David Murphy, in late September or early October 2003, I received a telephone call from David Helter, part of the management team at ESO's Rockport division. Mr. Helter informed me that he had been told by ESO that ESO had decided to shut down its Rockport division and that all of ESO's Rockport division employees had been or were to be terminated. Mr. Helter told me that this decision was a complete surprise to him and ESO's Rockport division.

7. I was completely stunned by Mr. Helter's telephone call. I had no idea that ESO was considering such a decision because every ESO employee that I had ever talked to always had told me or given me the impression that ESO was committed to the Rockport business.

8. Rockport immediately tried to find another licensee to take over ESO's obligations to design, develop, market, manufacture, advertise, promote, merchandise, sell and service the Licensed Products because it was critical to the Rockport brand.

9. Because ESO shut down its Rockport division and failed to design, develop, market, manufacture, advertise, promote, merchandise, sell and service the Licensed Products pursuant to its obligations under the License Agreement, the only Licensed Products in the marketplace for sale for the Spring 2004 season were a few products left over from the prior Spring season.

SIGNED UNDER THE PENALTIES OF PERJURY THIS 29TH DAY OF MARCH, 2005.

/s/Martha Blue
Martha Blue